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☐ INTERNAL
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Approved For Release 2001/08/30 : CIA-RDP73B00296R000300060032-8

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:



DD/IOS

EXTENSION

6746

NO.

OLC 71-0262

DATE

20 April 1971

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Legislative Counsel
Attn:

2.

SMM

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1. Put the ones written by John Case into as you see our ones on the scene.
A.D.S.

2. A couple of interesting case histories re Air America & drug smuggling as well as general policy re A.D.

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20 April 1971

MEMORANDUM FOR: Legislative Counsel

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ATTENTION :

[REDACTED]

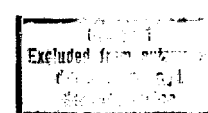
SUBJECT :

Air America, Inc. - Alleged Smuggling

1. Over the past eighteen years there have been isolated reports that Air America, Inc., and some of its affiliated companies have been engaged in the smuggling of opium. It has not been the policy of the Air America, Inc., complex to support, foster, or tolerate such smuggling aboard its aircraft or by its personnel. This policy is spelled out in written company directives and stipulates termination of employment if one is so engaged. When reports of smuggling have been received, they have been investigated, usually by CIA Staff Agent Security Officers integrated into the corporation primarily to administer its broad security program throughout the Far East. There are six so assigned at present.

2. Usually, reports of smuggling opium have been found to be baseless. An exception occurred in early 1968 when, through the efforts of CIA Staff Agent Security Officers, over 400 pounds of opium was seized aboard an Air America aircraft destined to fly from Vientiane, Laos, to Saigon, South Vietnam. This matter was reported to regional representatives of the Bureau of Narcotics and Dangerous Drugs. Investigation resulted in appropriate disciplinary action consistent with operational security being taken against those individual American corporate employees who were proven to be substantially implicated in the scheme. The contraband opium, upon seizure, was turned over to the CIA Station in Vientiane, Laos, and ultimately destroyed.

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3. As a result of the above-described seizure, and in an effort to take measures to better ensure that Air America aircraft, its personnel, and the personnel of its customers would not become involved in smuggling of opium or other narcotics, the following actions were taken:

a. An immediate review was conducted of internal procedures relating to packaging, manifesting, storage, and shipment of all official and personal materials carried on Air America aircraft;

b. As a result of the above review, inspection was strengthened by supervisory personnel of subordinate functions with a dual checking system enforced;

c. CIA Stations and other U. S. Government customers of Air America were visited with a view toward improving control over materials carried aboard by their own U. S. and indigenous-type personnel, specifically in areas [REDACTED] where "informal" international flights arrive and depart daily;

d. Two additional CIA Security Officers were dispatched from Headquarters on a TDY basis in 1968 for the prime purpose of inspecting all Air America aircraft flying out of Laos for Bangkok and Saigon.

4. Since the above incident occurred in 1968, all reports or allegations received are most thoroughly investigated by Air America, Inc., under the supervision of the corporate Director of Security [REDACTED] the corporation.

5. The most recent occurrence involved a Royal Lao Air Force Lieutenant and his accomplice who attempted to smuggle 120 pounds of smoking opium aboard a Caribou aircraft on 11 April 1971 but were detected by alert Air America personnel. The

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Lieutenant and his accomplice were turned over to Laotian Military Police [REDACTED] (dated 14 April 1971). This indicates that a continuing awareness is being manifested by Air America personnel in connection with efforts to eliminate or at least reduce smuggling in Southeast Asia.

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[REDACTED]

Deputy Director of Security (IOS)

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